

MEETING NOTES
FINANCE COMMITTEE
COMMUNITY UNIT SCHOOL DISTRICT 200
January 18, 2023

A meeting of the Finance Committee of the Board of Education of Community Unit School District 200, DuPage County, Illinois, was called to order at 4:00 PM on Wednesday, January 18, 2023, at the School Service Center, 130 W Park Ave, Wheaton, IL.

PRESENT

Board Members: Ms. Susan Booton
Mr. Dave Long

Staff: Dr. Brian O’Keeffe, Asst. Superintendent of Business Operations
Mr. Jordan Thorse, Comptroller/Treasurer
Ms. Erica Loiacono, Director of Communications and Community Engagement

Discussion of Five-Year Projections and Assumptions

Dr. Brian O’Keeffe reviewed the forecast model assumptions used for the five-year financial projections. Historically has gone through the Finance Committee before presenting to the full Board (scheduled for the January 25 COW meeting). This included information on the following:

- Suggested Revenue Assumptions
 - Consumer Price Index (CPI)
 - Levy 2022 (5% - approved Dec 2022)
 - Levy 2023, 2024, 2025, and Beyond
 - Investment Income
 - EBF Funding
 - Categorical Funding
 - Federal Funding
 - All Other Revenue
- Suggested Expenditure Assumptions
 - Salaries/Staffing (Certified, Classified, Administrative & Non-Union Classified Staff)
 - Medical/Dental
 - Contracted Services
 - Supplies
 - Capital Outlay (Non-Sherman-Dergis)
 - Transportation
 - Suggested Other Sources & Uses

A draft of the five-year projections using the 5 Cast forecasting tool was also reviewed. This included information on the following:

- Aggregate Revenue and Expenditure 5-Year Projections (FY2024–FY2028) for the operating funds (Educational, O&M, Transportation, IMRF/SS, Working Cash, and Tort)
- Debt Service Fund 5-Year Projections
- Fund Balance History and Projections (operating funds)
- 5-Year Fund Balance Projections

There was information presented and/or discussion on the following:

- Levies for 22 and 23 – a reminder that school districts under PTELL are limited to a 5% increase.
- Levy 24 – downward trend.
- EBF funding – left flat for the next five years, based on what is in the budget.
- Categorical funding – the side we are the most vulnerable; assuming 80% reimbursement all five years?
- Federal ESSER funding – confirmation of percentage for FY24. Future funding of positions currently paid with ESSER funds; will have to absorb if a funding source is not identified; this is built into the model.
- Investment income – confirmation in remaining flat for FY25 and beyond. No significant changes are projected in interest income.
- Certified staff salary info – WWEA negotiations begin next week. Took terms in the existing contract and used those numbers. The impact on the certified staff increases due to the increase in CPI.
- Classified staff (CEA) – year two of a 3-year contract.
- The value of a percentage change (either way) in salary increases (for both certified and classified).
- The levy year does not line up with the fiscal year – there are two levy years in one fiscal year.
- Medical/Dental benefits – looking like double-digit increases for the year beginning September 2023; the industry market now is 8-12% increase.
- Insurance cooperative (NIHIP) – the pool lost money last year for the first time in 20 years.
- Contracted Services (food service and custodial service) – 5-10% increase. Continued impact on market prices and minimum wage increases through January 2025.
- Foodservice – next year will be the last one on the contract with Organic Life.
- Reduction in both supplies and capital outlay (Non-Sherman-Dergis) for FY24 and flat for remaining years.
- Transportation increases for IL Central (3.5%) and Sunrise (8%) as a result of contract extensions.
- Suggested Other Sources & Uses - \$3 million increase in the transfer from O&M fund to capital projects fund to support summer 2023 approved capital projects. Future years return to \$7.7 million (including playgrounds).
- Does not include a potential TRS pension shift.
- Based on the model, looking at a few years of a small surplus, but on the back end of the model would be moving toward a deficit.
- The last debt service payment is in October of 2025.
- Presenting a balanced budget annually – includes all of the operating funds. The only reason you would draw from the fund balance would be to fund facility or capital improvements (as is stated in the Board fund balance policy).
- The impact of collective bargaining and finding the dollars in the budget if we go over the projections.
- The five-year projections using the 5 Cast forecast model with the assumptions finalized into the model will be presented to the full Board at the January 25 Committee of the Whole meeting.

Public Comment

- Confirmation of CPI in December 2021
- The use of a stagflation model if we are in this type of environment?
- District insurance pool (NIHIP) – fully insured through BCBS.

The meeting adjourned at 4:49 PM.